BUILDING CAPACITY THROUGH COLLABORATION IN CHICAGO'S SUBURBS

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Municipalities in Chicago's suburbs are increasingly working together on housing and community development issues to create efficiencies of scale, leverage outside expertise, and stretch limited resources. In Cook County, the Chicago Southland Housing and Community Development Collaborative (CSHCDC) and the West Cook County Housing Collaborative (WCCHC) are two examples of cross-jurisdictional collaboration that have greatly enhanced the capacity of the 29 municipalities they represent.

In the five years since their creation, the two groups have helped to attract public- and private-sector partners and resources to participating communities, which has resulted in new housing and jobs and replicable planning and development tools. This brief explores what the two groups have been able to achieve, as well as lessons learned that can help other communities considering collaborative strategies.

BACKGROUND

In a metropolitan area that spans three states, 14 counties, more than 340 municipalities, and over 200 townships, overcoming fragmentation to address shared challenges and opportunities is no small feat. During the past decade, the Chicago Metropolitan Agency for Planning (CMAP) and its Metropolitan Mayors Caucus (a membership organization that includes nine councils of government and 272 municipalities in Illinois) have worked to align their efforts with regional nonprofit organizations and foundations—such as the Metropolitan Planning Council (MPC) and the Chicago Community Trust—to encourage and support collaboration across jurisdictions on a range of issues.

Early efforts included the Mayors Caucus' Housing Task Force, made up of mayors and municipal leaders from the region. Launched in 2000, the task force initially focused on the lack of affordable housing in communities where jobs were growing fastest, and on the strain that the metro area's jobs–housing mismatch created for employers, employees, and the region's transportation infrastructure. However, following the collapse of the housing market in the late 2000s, the focus pivoted to managing the foreclosure crisis.

Between 2006 and 2008, the number of properties entering foreclosure in the Chicago region doubled, with some of the highest rates of foreclosures concentrated in suburban Cook County, where nonprofit housing counseling services were already insufficient to meet local needs.[2] In 2009 and 2010, foreclosure filings increased by 13.5 percent in West Cook County and by nearly 20 percent in South Cook County, threatening to destabilize communities as the number of vacant and blighted properties grew.[3] At the same time, shrinking property tax bases, strained municipal budgets, and over-stretched staff further hindered effective community responses to the crisis.

The announcement of the federal government's Neighborhood Stabilization Program (NSP) in 2008, which supported the purchase and redevelopment of foreclosed and abandoned residential properties, offered an opportunity to attract new resources to hard-hit communities. Both the state of Illinois and Cook County solicited applications for NSP funds, meaning struggling communities would have to compete twice for limited resources. However, many of the suburban Cook County municipalities with the greatest need lacked the experience and capacity to successfully navigate the application process. Moreover, these communities recognized that even if one town could attract a competitive award it would not be sufficient to address the scale of the challenge.

THE MODEL

The severity of the housing crisis, lack of local capacity, and available federal NSP funds provided the catalysts that spurred mayors and municipal managers in the west and south suburbs to collaborate across jurisdictional boundaries. Their efforts to pursue a collaborative approach were bolstered by support and technical assistance from the Mayors Caucus, CMAP, and MPC as the South Cook County and West Cook County collaboratives defined their structures, created subregional plans to address the housing crisis, and applied for federal funding. Each group also received critical support from philanthropy. Early investments from the Chicago Community Trust and the Grand Victoria Foundation allowed each collaborative to boost its capacity by hiring a coordinator to shepherd them through the planning, application, and implementation process.

With this support, both groups not only won funding in the first round of NSP, but they each went on to win federal Disaster Recovery Program dollars and awards from the Department of Housing and Urban Development's Sustainable Communities Initiative. In addition, the Illinois Attorney General allocated funds from the national mortgage settlement to support the West Cook County Housing Collaborative and several organizations working in the south suburbs, with the caveat that their efforts must be guided by and coordinated with the CSHCDC.

Since 2009, the two collaboratives have succeeded in attracting $44 million—with $15 million for West Cook County and nearly $29 million for South Cook County. The result is a more than 50:1 return on the philanthropic investment.

With that capital, the collaboratives have been able to not only demolish, rehab, and redevelop blighted housing stock, but also to create a number of planning and development tools to strategically target investments in their subregions. For instance, both groups created a geographic information system (GIS) mapping tool and a housing investment prioritization tool to help them determine which proposals to fund, in what order, and with which funds. The South Cook collaborative was the first in the region to create an area land bank—an innovation that has attracted additional resources to the subregion and has since been replicated by Cook County as well. Beyond housing, each collaborative has completed a Transit-Oriented Development (TOD) plan and tools to implement those plans, including TOD funds (which were seeded by the Sustainable Communities Initiative and bolstered by investments from IFF, Enterprise Community Partners, and others) and TOD districts (with proposed overlay zoning to support the TOD plans, thanks to support from the Regional Transit Authority and Cook County).

Many of these accomplishments would not have been possible without collaboration. Member communities have been able to increase their capacity and save on administrative and staffing costs. They have also benefitted from a "single point of entry" that a collaborative structure provides. For example, if a developer is considering investing in the south suburbs, he or she can meet with the collaborative staff to discuss development opportunities and narrow down the list of options rather than having to meet with each individual town.

LESSONS LEARNED

Developing the infrastructure and operations of these collaboratives was not a linear process. It required multiple iterations, returning to the central ideas and guiding visions as stakeholders redefined their roles and responsibilities and became increasingly entrepreneurial.

Any collaboration will be an iterative process unique to the groups involved. However, other communities can benefit from the valuable lessons learned by these two groups.

1. Assemble the right members. To build trust, shared goals, and long-term sustainability, it helps to bring together communities with contiguous borders and similar profiles and one or more local leaders committed to championing collaboration. In South Cook County, the CSHCDC began as a partnership of 19 municipalities, which has since grown to 24 communities.[4] In West Cook County, five municipalities came together to form the WCCHC.[5]

Although there is no "magic" number of jurisdictions required to make a collaborative successful, for new collaboratives it may make sense to start small, with a limited number of communities that can easily coalesce around a relatively narrow goal or issue. Membership and the agenda can expand with time and additional resources. Optimally, any growth should be contingent on the explicit buy-in of additional towns in terms of both the collaborative's objectives and the proposed role of a new community as a member, as well as the financial ability of the collaboratives to support expanded membership.

2. Engage key partners upfront in defining roles and objectives. From the beginning, municipal officials and regional partners worked together to define roles and responsibilities and set goals, which helped unite the different players around an agenda for moving forward. The local elected officials and staff collectively identified and agreed on shared priorities, taking the idea of collaboration back to their own municipalities to create community support for the collaborative's goals. The collaborative coordinators served as a source of housing expertise for the communities and guided the development and implementation of their work plans. Foundations, including the Chicago Community Trust, the Grand Victoria Foundation, and the Field Foundation, provided the financial support for the initial planning, staffing, and program development, while national foundations such as Bank of America and the Ford Foundation supported the work of regional nonprofit intermediaries, including the Mayors Caucus, CMAP, and MPC. Regional nonprofit partners assisted the two collaboratives throughout the process by providing technical assistance, staff support, and policy advocacy.

3. Tap into regional intermediaries. One of the central motivations for creating the collaboratives was the lack of capacity in the member communities. Left to their own devices, the municipalities would not have had the time, resources, or staff to effectively address the growing needs. Instead, when funders first agreed to provide seed funding for the collaboratives, the Mayors Caucus was able to step in as the fiscal agent to receive and disburse those funds. CMAP provided technical assistance as the collaboratives developed their strategic plans and helped them develop important planning tools such as the housing investment tool. MPC was able to connect the work of the local collaboratives to national best practices and regional initiatives, including Homes for a Changing Region (which helps subregions identify their housing supply–demand mismatch) and the Regional Home Ownership Preservation Initiative and the Preservation Compact (which, respectively, leverage the resources and expertise of agencies funded to advance foreclosure response and rental housing strategies).

The involvement of these partners also provided credibility to potential public- and private-sector funders, policymakers, and prospective members. Their involvement also kept the momentum going, especially early on.

4. Identify the best operating structure for the communities involved. Although both collaboratives had similar objectives, they took unique approaches in defining how they would operate. The South Cook County collaborative is housed at the South Suburban Mayors and Managers Association—the local council of governments. The member communities meet monthly, and they hired an individual with experience in housing and community development to act as coordinator.

In contrast, rather than nesting within the local council of governments, the member municipalities in West Cook County entered into an intergovernmental agreement, which they renew each year. The WCCHC is guided by a steering committee composed of an elected official from each member municipality, which meets quarterly, as well as a working group of a municipal staff member from each jurisdiction, which meets monthly.[6] The West Cook County collaborative contracted with IFF (formerly Illinois Facilities Fund), a Chicago-based Community Development Financial Institution (CDFI) that can also play the role of affordable housing developer, to fill the role of coordinator.[7]

Each model has its pros and cons. The South Cook County model benefits from being integrated and aligned with the local council of governments, but it must look to external partners for financial and development capacity. The south suburbs collaborative also encountered difficulties in its early attempts to attract federal funding because it does not operate as an independent nonprofit. For instance, Cook County awarded the initial round of NSP funds to 11 communities separately rather than to the collaborative because the county had never funded such a collaboration before and was concerned about risks and liabilities. On the other hand, West Cook County was able to avoid those issues because IFF, as a registered nonprofit, could act as fiscal agent. In addition, IFF is able to draw on its financial capacity as a CDFI and expertise as a real estate consultant and developer to help the West Cook County collaborative implement its work plan and achieve its development goals. However, IFF also encountered hurdles in negotiating funding when the state expressed conflict-of-interest concerns during its disbursement of Disaster Recovery Program funds.

Whether communities looking to replicate these models choose one of these operating structures or a hybrid approach, the key is to weigh the benefits of challenges of each approach and identify which works best in their local context.

5. Create a well-defined work plan. Determining which issues to address can be a difficult process. Some member communities may view certain topics as critical while other members do not. The two Cook County collaboratives balanced these concerns by focusing on issues that were too large to be taken on by communities with limited means and yet too small to be dealt with by larger regional organizations.

For example, the collaboratives were well positioned to work directly with financial institutions during the height of the foreclosure crisis to create efficiencies and promote best practices in banks' property maintenance and disposition efforts. As a result each town and each bank understood each other's priorities and could establish appropriate accountability mechanisms. In addition, suburban Cook County communities historically have had trouble attracting high-quality developers and financing to address their housing stabilization or affordability needs, partly because of the highly fragmented nature of the region. The collaboratives have been able to market their joint vision and strategy, cultivate a pipeline of potential housing development opportunities, and identify the infrastructure, property condition, and regulatory improvements required to enable development.

6. Work with local, state, and federal policymakers to promote collaborative approaches. Philanthropy alone cannot sustain collaboration in the long term. Mechanisms that pool funding from member municipalities to support collaborative structures can help create sustainable models, but ultimately collaborative entities need the support of traditional government funders. As described earlier, the availability of federal NSP resources provided a major impetus for establishing the collaboratives. Subsequent government policy incentives and funding sources, such as the Sustainable Communities Initiative (SCI), served as increased incentives for interjurisdictional collaboration.

But new initiatives such as SCI notwithstanding, the often siloed and inflexible nature of government funding streams means that any collaborative must work closely with local, state, and federal funders to clarify where existing funding sources could be used to support or create incentives for multi-jurisdictional collaboration. After Cook County bypassed the South Cook County collaborative to award the first round of NSP dollars to municipalities, it took months of discussions between the collaborative, regional partners, and county and federal policymakers to find a resolution, with HUD signaling support for the collaborative approach and the county becoming a key supporter of and investor in the collaboratives. Currently, Cook County and CMAP are working to create the institutional framework to promote subregional efforts throughout the metro area.

7. Address the challenge of working together in a situation of limited resources. Not every member will benefit equally or at the same time from investments in the collaborative. However, members must understand the value of investing in the entire subregion and that, over time, each municipality will benefit. Transparency is critical in these instances, and it is one reason why CMAP helped develop the housing investment tool for the member communities. Creating a clear and fair decision-making process, supported by data and open to members, funders, and the public, is crucial for success and sustainability.

8. Quantify the cost savings and benefits. Having accountability mechanisms and metrics in place early on will not only help demonstrate the benefits of collaboration to policymakers and potential funders, but it will also help keep members engaged and guide investments to ensure the collaborative is on track to achieve its key milestones and development priorities. Elected officials and staff members in the South and West Cook County collaboratives have attested to the administrative savings and increased capacity they've seen as a result of these initiatives. The collaboratives are developing metrics that will help them quantify those savings and answer questions such as: Can municipalities save money through improved public safety and reduced building or vacant lot maintenance costs by working across borders to revitalize communities? Can they raise additional revenue through increased property tax revenue? How much money can they save by sharing staff with their neighbors?

9. Craft a strong communications strategy and communicate early wins. An effective communications strategy can help keep initial members at the table and attract new partners. The strategy should target key audiences (other communities, regional leaders, financial institutions, philanthropy, employers) with a message about what the region needs to succeed and how collaboration can help achieve those goals and result in broadly shared benefits. To make progress visible and to build trust, it is important to regularly communicate early wins—such as hiring a coordinator or winning a new investment—to members and stakeholders.

10. Plan for long-term sustainability. Because turnover in the public sector can be significant, both collaboratives did not want to be entirely reliant on government leaders or staff. The importance of a coordinator to provide the "backbone" and institutional knowledge for the collaboratives over time cannot be overstated. It is equally important that the collaboratives engage private-sector developers, employers, and financial institutions to develop programs and policies that support inclusive growth and serve the best interests of each partner.

In addition, because philanthropic grants typically do not last forever, identifying long-term funding sources is crucial. Partners such as MPC helped the coordinators advocate for allowing collaborative entities to collect administrative fees from the government grants they administer. In turn, the collaboratives are exploring ways to leverage the "single point of entry" infrastructure to attract private investments to their areas. And both groups are considering other long-term, sustainable revenue sources, such as contributions from member communities or fees collected from developers.

LOOKING AHEAD

While these collaboratives innovate locally to maximize their organizational infrastructure, public- and private-sector funders can fast-track these efforts by rewarding and encouraging collaboration. This can be done through new programs, and by updating and interpreting existing programs to ensure that interjurisdictional collaboratives qualify for public funds, receive priority when competing for limited resources, and that funding administrative support for collaboratives is a permitted use of public funds.

More specifically, public- and private-sector funders can:

- Provide regulatory clarity for existing funding streams, by identifying collaborative entities as eligible applicants and making contract language in funding awards flexible enough to include collaboratives as recipients of funds or as subcontractors;
- Reward and prioritize collaboration by awarding extra points for grant and program applications that use a collaborative model, and by adapting funding formulas and regulations to support cross-jurisdictional approaches;
- Update and consolidate various federal plans—similar to Cook County's new five-year strategic "Planning for Progress" effort to coordinate and guide federal funds for housing and economic development—to encourage comprehensive and integrated place-based strategies;
- Collaborate with one another to create a continuum of capacity-building, technical assistance, and program dollars necessary to implement the ambitious vision of these subregional efforts; and
- Explore ways to work through existing regional institutions—such as metropolitan planning organizations or councils of governments—to coordinate investments and capacity building at a more effective scale.

CONCLUSION

The idea of working together across borders can seem daunting, and so far it has often put innovators at cross-purposes with traditional funding streams and the usual way of doing business. But with resources (both monetary and in-kind), strong partners, and a shared vision, collaboration can become an invaluable tool for transforming a region and its communities. The Cook County collaboratives have demonstrated this, and their experiences have prompted the formation of several new collaboratives across Chicago's suburban counties. They can also serve as a guide for other communities looking to band together to build capacity.

NOTES

[1] Robin Snyderman is a principal at BRicK Partners, LLC, and a nonresident senior fellow at the Metropolitan Policy Program at Brookings. Beth Dever is a senior project manager at BRicK Partners, LLC. In their previous roles (at the Metropolitan Planning Council and Metropolitan Mayors Caucus, respectively) Robin and Beth worked closely with municipal leaders and other partners during the formation of the West and South Cook County collaboratives, and have continued to support the collaboratives through their work at BRicK Partners.

[2] Susan Longworth, "Suburban Housing Collaboratives: A Case Study for Interjurisdictional Collaboration," Profitwise News and Views (Chicago: Community Development and Policy Studies Division of the Federal Reserve Bank of Chicago, 2011); Woodstock Institute, "Chicago City and Regional Foreclosure Activity" (Chicago, 2010).

[3] Longworth, "Suburban Housing Collaboratives."

[4] Member communities include Blue Island, Calumet City, Dolton, Ford Heights, Harvey, Hazel Crest, Homewood, Lansing, Lynwood, Markham, Matteson, Midlothian, Oak Forest, Olympia Fields, Park Forest, Phoenix, Richton Park, Riverdale, Robbins, Salk Village, South Chicago Heights, South Holland, Steger, and Thornton.

[5] Member communities include Bellwood, Berwyn, Forest Park, Maywood, and Oak Park.

[6] Chicago Metropolitan Agency for Planning, Metropolitan Mayors Caucus, and Metropolitan Planning Council, "Supporting and Sustaining Interjurisdictional Collaboration for Housing and Community Development," (Chicago, 2012).

[7] To learn more about IFF, read the Confronting Suburban Poverty in America case study and forthcoming practitioner brief at www.confrontingsuburbanpoverty.org.